

Message Text

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12

ACTION EB-07

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FRB-01 INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8048

INFO AMEMBASSY BERN

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AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: JAPAN'S BALANCE OF PAYMENTS IN JANUARY- PROVISIONAL

DEPT. PASS TREASURY, CEA AND FEDERAL RESERVE

1. PROVISIONAL B/P STATISTICS SHOW USUAL JAN SEASONAL
DETERIORATION IN TRADE AND CURRENT BALANCES. TRADE SURPLUS
(NOT SEASONALLY ADJUSTED) DECLINED SUBSTANTIALLY FROM
SURPLUS OF \$1,228 MIL IN DEC TO DEFICIT OF \$590 MIL IN JAN.
CURRENT ACCOUNT DECREASED, ALSO RECORDING DEFICIT OF \$1,130
MIL IN JAN IN CONTRAST TO SURPLUS OF \$702 MIL REGISTERED
IN DEC. ON OTHER HAND, DEFICIT IN NET LONG-TERM CAPITAL
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REDUCED SHARPLY TO ALMOST HALF OF DEC, RECORDING NET

OUTFLOW OF \$180 MIL IN JAN, LARGE DEFICIT IN OVERALL
BALANCE OF \$1,220 MIL FINANCED BY SUBSTANTIAL NET INFLOW
OF \$1,190 MIL IN SHORT-TERM BANKING FUNDS. AS RESULT,
DEFICIT ON OFFICIAL SETTLEMENTS BALANCE WAS ONLY \$30 MIL
AND RESERVES DECLINED BY ONLY \$9 MIL FROM DEC
LEVEL.

2. IMPROVEMENT IN LONG-TERM CAPITAL ACCOUNT ATTRIBUTED
BY MOF TO SHARP INCREASE IN PURCHASE OF JAPANESE STOCKS
BY NON-RESIDENTS. IN JAN FOREIGN STOCK BUYING ALMOST
BALANCED WITH THEIR SALES. INCLUDING DEBENTURES AND PUBLIC
BONDS, FOREIGN INVESTMENT INTO JAPANESE SECURITIES RECORDED
NET INFLOW IN JAN FOR THE FIRST TIME SINCE AUG 1973.

3. ON SEASONALLY ADJUSTED BASIS, TRADE SURPLUS INCREASED
\$292 MIL TO REACH \$656 MIL LEVEL. THIS IS SECOND LARGEST
SURPLUS IN PAST YEAR FOLLOWING OCT FIGURE OF \$744 MIL REVISED
EXPORTS (IMF BASIS, SEASONALLY ADJUSTED) INCREASED \$350 MIL
(7.1 PERCENT) FROM DEC LEVEL. IMPORTS (IMF BASIS, SEASONALLY ADJUSTED)
ROSE \$148 MIL (3.3 PERCENT). MOF HAS REVISED SEASONALLY ADJUSTED
TRADE FIGURE FOR ALL MONTHS OF CY 1974; DATA IN
PARA 3 SHOWN ON REVISED BASIS. THESE REVISED SEASONALLY
ADJUSTED TRADE MONTHLY FIGURES FOR CY 74 WILL BE
REPORTED
FULLY IN REGULAR MONTHLY B/P AIRGRAM.

4. FOLLOWING ARE PRELIMINARY MOF DATA ON JAN BALANCE OF
PAYMENTS IN MIL DOLLARS (IMF BASIS, NOT SEASONALLY ADJUSTED).
ALL ITEMS ARE PLUS (I.E. RECEIPTS OR INCREASES IN NET
RECEIPTS OVER DEC) UNLESS SHOWN AS QTE MINUS UNQUOTE.

	JAN 75	DEC 74	
	PROVISIONAL	REVISED	INCREASE
(1) CURRENT BALANCE MINUS	1,130	702	MINUS 1,832
TRADE BALANCE	MINUS 590	1,228	MINUS 1,818
EXPORTS	3,610	5,862	MINUS 2,252
IMPORTS	MINUS 4,200	MINUS 4,634	MINUS 434
SERVICES AND			
TRANSFERS	MINUS 540	MINUS 526	MINUS 14
(2) LONG-TERM			
CAPITAL	MINUS 180	MINUS 341	161

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(3) BASIC BALANCE	MINUS 1,310	361	MINUS 1,671
(4) NON-MONETARY SHORT			
TERM CAPITAL AND			
ERRORS AND OMISSIONS			
COMBINED	90	19	71
(5) OVERALL BALANCE	MINUS 1,220	380	MINUS 1,600
(6) COMMERCIAL BANKS			
SHORT-			

TERM NET

POSITION 1,190 MINUS 615 1,805

(7) OFFICIAL SETTLE-

MENTS BALANCE MINUS 30 MINUS 235 205

5. SEASONALLY ADJUSTED TRADE DATA (IMF BASIS) AS FOLLOWS:

	JAN 75	DEC 74	
	PROVISIONAL	REVISED	INCREASE
EXPORTS	5,253	4,903	305
IMPORTS	MINUS 4,597	MINUS 4,449	MINUS 148
BALANCE	656	454	202

6. NOTE: RATES OF EXCHANGE USED BY MOF TO CONVERT TO DOLLAR BASIS WERE 299.80 YEN PER DOLLAR FOR JAN AND 300.40 YEN PER DOLLAR FOR DEC. PUBLISHED OFFICIAL RESERVES DECREASED \$9 MIL TO \$13,509 MIL. GOLD AND FOREIGN EXCHANGE TOTALED \$12,247 MIL, GOLD TRANCHE \$727 MIL, AND SDR'S \$535 MIL..
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